

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2002
(In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MAJOR		NON-MAJOR	TOTALS	
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	LIQUOR PURCHASE REVOLVING FUND	SEPTEMBER 30, 2002	
OPERATING REVENUES					
Operating revenues	\$ 1,729,938	\$ 1,426,748	\$ 607,413	\$ 3,764,099	\$ 1,567,464
Total Operating Revenues	1,729,938	1,426,748	607,413	3,764,099	1,567,464
OPERATING EXPENSES					
Salaries, wages, and other administrative	204,686	-	49,066	253,752	650,263
Depreciation	158	-	-	158	44,682
Purchases for resale	-	-	443,885	443,885	41,094
Purchases for prison industries	-	-	-	-	16,690
Lottery prize awards	894,955	-	-	894,955	-
Premiums and claims	-	-	1	1	761,479
Unemployment benefits	-	1,926,001	-	1,926,001	-
Other operating expenses	-	402,712	1,743	404,455	64,731
Total Operating Expenses	1,099,798	2,328,713	494,696	3,923,206	1,578,940
Operating Income (Loss)	630,140	(901,965)	112,717	(159,107)	(11,477)
NONOPERATING REVENUES (EXPENSES)					
Specific tax on spirits	-	-	10,707	10,707	-
Interest revenue	1,621	-	1,562	3,182	-
Investment revenue (expense) - net	80,663	157,417	-	238,080	-
Other nonoperating revenues	-	295,823	-	295,823	9,268
Amortization of prize award obligation discount	(48,726)	-	-	(48,726)	-
Interest expense	(4,756)	-	-	(4,756)	(1,657)
Other nonoperating expense	-	-	8	8	(393)
Total Nonoperating Revenues (Expenses)	28,802	453,241	12,278	494,320	7,218
Income (Loss) Before Capital Contributions and Transfers	658,942	(448,724)	124,995	335,212	(4,259)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions from other funds	-	-	-	-	23,561
Transfers from other funds	-	3,674	-	3,674	-
Transfers To:					
School Aid Fund	(613,530)	-	-	(613,530)	-
Other funds	(13,056)	(144,806)	(126,795)	(284,657)	(670)
Total transfers to other funds	(626,586)	(144,806)	(126,795)	(898,187)	(670)
Total Capital Contributions and Transfers In (Out)	(626,586)	(141,132)	(126,795)	(894,513)	22,891
Change in net assets	32,355	(589,856)	(1,800)	(559,300)	18,632
Total net assets - Beginning of fiscal year	95,706	3,025,712	6,676	3,128,093	118,286
Total net assets - End of fiscal year	\$ 128,061	\$ 2,435,856	\$ 4,876	\$ 2,568,793	\$ 136,917

The accompanying notes are an integral part of the financial statements.